

Soaring Insurance Costs Create Challenge to Car Sales in Texas, Polly Report Finds

High premiums in Texas are causing buyers to walk away—and dealers to lose out.

HOUSTON, TX, UNITED STATES, April 23, 2025 /EINPresswire.com/ -- Embedded Auto Insurance leader [Polly](#) reports that car insurance rates in Texas have climbed to nearly 125% of the national average, according to their latest [Embedded Auto Insurance Report](#).



Polly Insurance

Texans were particularly affected by soaring auto insurance premiums in 2024, with monthly quotes averaging \$245 statewide. For many buyers, these insurance costs approached their monthly car payments, creating significant sticker shock and disrupting dealership sales.



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Mike Burgiss, Chief Marketing Officer

The Unseen Dealership Sales Killer: Insurance Costs

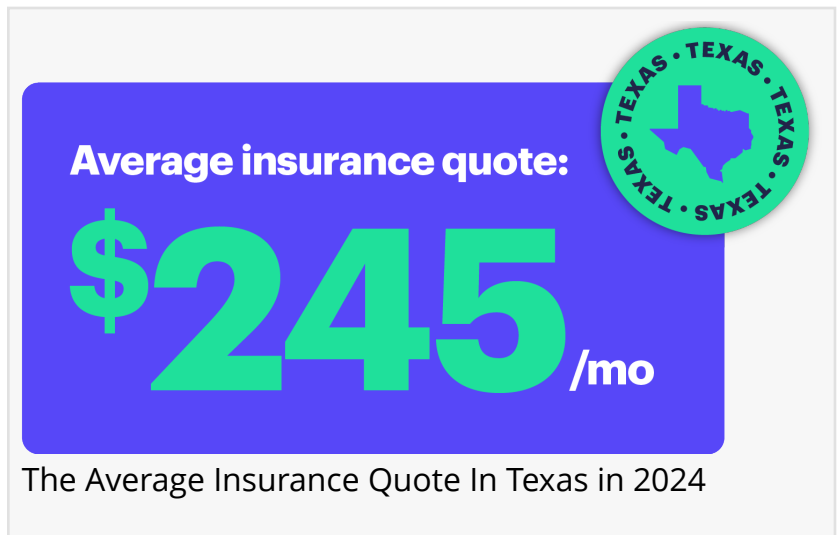
- In 2024, the average US quoted insurance rate in the dealership was \$199 per month, an 18% YOY increase over 2023 that far outpaced inflation.
- In states like Texas with the highest insurance rates, buyers are being hit with quotes over 50% higher than the national average, making overall car affordability tough.
- Many customers entered the dealership expecting to buy a car—only to back out when insurance costs make the

total monthly expense unmanageable.

"It can be frustrating for both buyers and dealers," said Mike Burgiss, Chief Marketing Officer at Polly. "A customer is ready to sign—until they see their quote from their current insurance company. In high-cost states, that can be enough to sink the deal. But, dealers can support the process by connecting customers with resources to explore competitive insurance options, rather than relying on a single quote from their current provider."

A Growing Challenge for Dealers in 2025

With vehicle inventory levels normalizing, front-end profits are shrinking, making every lost sale more painful. At the same time, customers are more price-sensitive than ever, and for those in high-cost-to-insure states like Texas, insurance is the tipping point between purchasing and walking away.



The problem isn't just high rates—it's the lack of real-time information on competitive insurance rates when customers need them most. Without an easy way to shop for better rates, many buyers assume they have no choice but to exit the deal.

What's Next: Why Dealers Need a New Approach to Insurance

As affordability challenges continue into 2025, dealerships in high-cost states will need to rethink how they help customers manage total car ownership costs. Just as they guide buyers through financing, dealers who help customers navigate insurance options can keep more deals on track and improve back-end profitability in the process.

"When insurance is an afterthought, it becomes an obstacle," added Burgiss. "When insurance is integrated into the dealer's process, it becomes an opportunity—to close more deals, offer better service, and protect profit in a tightening market. In Texas, we've been able to save car buyers an average of \$1,184 per year on their insurance, right when they need it most."

Texas dealerships are invited to get their free [insurance report](#) from Polly to find out how much they could be losing out on if they don't have an insurance solution for their customers.

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